

Onondaga County Industrial Development Agency  
Regular Meeting Minutes  
October 9, 2008

The regular meeting of the Onondaga County Industrial Development Agency was held on Thursday, October 9, 2008 at the Eastside Business Center, 1201 E. Fayette Street, Syracuse, New York.

Chairperson Robert Baldwin called the meeting to order at 8:03 a.m. with the following:

PRESENT:

Robert Baldwin  
William Towsley  
Dan Healy  
Russell Andrews

ABSENT:

Gregg Kidd  
John Rizzo  
Joseph Scuderi

ALSO PRESENT:

Mark Arbon, Agency Counsel, Gilberti Law Firm  
Carolyn May, Interim Executive Director  
Greg Hitchin, Business Development Manager, Office of Economic Development  
Kim Hall, Management Analyst, Office of Economic Development  
Cheryl Menzel, Sr. Economic Development Specialist, Office of Economic Development  
Karen Doster, Recording Secretary, Agency  
Christopher Cox, Administrative Assistant  
John Klucsik, Gilberti Law Firm  
Lisa DaRin, Central Land, LLC  
Angela Barry, Hiscock & Barclay  
Paul Reichel, Bond Schoeneck & King  
Jorn Clement, Cooper & Clement  
Mark Hettler, BMC  
Charlie Wallace, VIP  
Tracey Hall, LEED  
Sue Stanczyk, County Legislature

APPROVAL OF REGULAR MEETING MINUTES – SEPTEMBER 11, 2008

Upon a motion by William Towsley, seconded by Russell Andrews, the OCIDA Board approved the minutes of September 11, 2008 regular meeting with Robert Baldwin and Dan Healy voting yes. Motion was carried.

TREASURER'S REPORT

Greg Hitchin gave a brief review of the OCIDA investments and accounts for the month of September 2008.

Upon a motion by Dan Healy, seconded by Russell Andrews, the OCIDA Board approved the investments and accounting for the month of September 2008 with Robert Baldwin and William Towsley voting yes. Motion was carried.

#### PAYMENT OF BILLS – SCHEDULE #314

Gregory Hitchin gave a brief review of the Payment of Bills, Schedule #314.

Upon a motion by William Towsley, seconded by Dan Healy, the OCIDA Board approved the Payment of Bills, Schedule #314 with General Expenses being \$103,259.66, Marketing Expenses being \$18,185.19 and PILOT payments to Village of East Syracuse for \$30,395.10, East Syracuse Minoa Schools for \$163,617.30, Fayetteville Manlius Schools for \$702,971.34, North Syracuse Schools for \$20,233.41 and Skaneateles Schools for \$25,088.19 with Robert Baldwin and Russ Andrews voting yes. Motion was carried.

#### CENTRAL LAND, LLC – SEQRA, LEAD AGENCY RESOLUTION

Robert Baldwin stated that the environmental have been submitted to the Agency.

John Kluscik stated that he received a long environmental form that describes the environment surrounding the project and it gives some insight into the environmental impacts that would result from project construction. He stated that at this point he is recommending that the board go forward and recognize the project would involve the physical alteration of about 15 to 16 acres and would put it over the 10 acre threshold for characterization as a Type I action under SEQRA. He stated that along with that classification comes certain procedural requirements, most important of which would be a mandatory coordinated environmental review involving designating lead agency for environmental review and coordinating with other agencies that have some approval role with respect to the project. He stated that that the project has an interesting wrinkle that takes it out of the normal course because there are subdivision and site plan approvals being requested of the Town of DeWitt and they have begun their process. He stated that part of the process recognized a Type 2 classification that is essentially an exemption from SEQRA for some of the actions the Town has been asked to take. He stated that in spite of the fact that the project might get a shortcut on SEQRA with the Town, for Agency's purposes the project is being considered a Type I action and requires the Agency to go through a more extensive process. He stated that he is recommending that the Town assume Lead Agency status and consistent with that status, send lead agency coordination letters to the Town of DeWitt, Department of Environmental Conservation and the Onondaga County Department of Transportation. He stated that in the letters it is asked that the agencies consent to OCIDA being lead agency immediately so the time frame can be collapsed. He stated that normally they would have 30 days to respond but they are being asked to respond immediately so the Board can proceed with the environmental review of the project either determining that there will be no significant adverse impact or finding that there would be such an impact and proceed with SEQRA finding. He stated that he is recommending a resolution asserting OCIDA's role as lead agency and directing staff to undertake actions consistent with that role.

Upon a motion by Russell Andrews, seconded by William Towsley, the OCIDA Board approved a resolution accepting the role of lead agency for purposes of compliance with the SEQRA for the Central Land LLC project in the Town of DeWitt with Robert Baldwin and Dan Healy voting yes. Motion was carried.

Angela Barry asked if the Board would be willing to schedule a special meeting as opposed to waiting until the next board meeting to approve the project. Carolyn May stated that she needs to survey the board to see if a she can get a quorum. She stated that she will try to schedule a special meeting.

William Towsley stated that Heuber Breuer should be contacted to get the necessary information to complete the local access agreement. Angela Barry stated that only the site work has been awarded is the site work and the agreement will be updated as the company continues to award the work.

Carolyn May stated that the extension of the sales tax exempt certificate will not be issued unless the Local Access Agreement is 100% complete.

Dan Healy asked if there are doctors who are principal owners. Lisa DaRin stated that there are doctors but it is basically Upstate Medical and the grants they receive to do investing. Angela Barry stated that there is a minor percentage of doctors.

#### SOLVAY PAPERBOARD – AMENDMENTS TO THE INSTALLMENT SALE AGREEMENTS

Paul Reichel stated that Solvay Paperboard is planning to refinance the bonds to eliminate some covenants. He stated that there are PILOTs in place that go through 2012. He stated that an amendment to the installment agreement is requested to eliminate the covenants in place with the banks.

Mark Arbon stated that the Agency is being asked to join in on the mortgage because they had an interest in the property. He stated that it will give Solvay Paperboard a mortgage tax exemption rather than having them assign the existing mortgage and then consolidate it. He stated that there are no new benefits and will be subject to agency counsel approval.

Upon a motion by Dan Healy, seconded by William Towsley, the OCIDA Board approved a resolution amending the Installment Sale Agreement for the Solvay Paperboard LLC project subject to Agency Counsel approval with Robert Baldwin and Russell Andrews voting yes. Motion was carried.

Upon a motion by Dan Healy, seconded by William Towsley, the OCIDA Board approved a resolution authorizing an officer of the Agency to sign any documents necessary to complete the transaction including the execution of one or more mortgages for the Solvay Paperboard LLC project with Robert Baldwin and Russell Andrews voting yes. Motion was carried.

COOPER & CLEMENT – EMPLOYEE PRODUCTIVITY PROGRAM

Jord Clement stated that laser division is a new division of the company set up about a month ago and they are almost finished. He stated that the equipment is coming in this morning. He stated that the equipment is a combination of two machine systems. He stated that one is built in Arizona, which is a conversion system and then shipped to Minnesota where a German laser system is operated into it. He stated that the piece of equipment will be able to process almost anything imaginable and on the fly. He stated that the equipment will allow them to take any kind of box, cutting, stencil or label and it can be done. He stated that it is a brand new industry. He stated that there will be ten pieces of equipment constructed like this in the country and only one in the northeast. He stated that they will be producing for the local industry and on the internet. He stated that they are putting a lot of effort into it.

Robert Baldwin asked what is the customer base. Jorn Clement stated that they have sold imprinted ceramics all over the nation but due to the heaviness of cost they stick to the northeast and midwest. He stated with the new equipment they will go nationwide and worldwide. He stated that they have had three people working on their new website since July.

Robert Baldwin asked who is doing the training. Jorn Clement stated that they have two trainers coming in. He stated that one is from the manufacturer in Arizona and one from the laser team in Minneapolis. He stated that if needed the trainers will come to the company once a year.

Carolyn May stated that the State is also supporting this project.

Robert Baldwin stated that this is another success story that people don't hear about. He stated that it is amazing how many employers and businesses that come in for the EPP grant that are doing wonderful things around the country and around the world that we don't know about. He stated that they are well kept secrets and he is glad to hear things are going well.

Upon a motion by William Towsley, seconded by Dan Healy, the OCIDA Board approved a resolution accepting an application to the Employee Productivity Program from Cooper & Clement, a promotional products supplier decorating drink vessels and digitally printing labels, for \$7,230 as part of a \$14, 460 program to train three employees in the operation of new laser converting equipment and software to enable the company to offer more precise and intricate "on demand" etching and labeling services to customers with Robert Baldwin and Russell Andrews voting yes. Motion was carried.

ICM CONTROLS – PAYMENT IN LIEU OF TAX (PILOT) AGREEMENT

Mark Arbon stated that the Agency issued bonds in 2004 and in 2007 for additional costs. He stated that the project has been completed and the proposed inverted PILOT would be for 20 years with the inversion being that the first 10 years the company will be paying regular taxes because they are in an Empire Zone and qualify for the QEZQ real property tax credit. He stated that after the 10-year period the normal IDA PILOT would kick in to give the company benefits

equivalent to 485b. He stated that the Technical Assistance Group has signed off and the company has as well. He stated that the taxing jurisdictions have been notified and did not object.

Upon a motion by Russell Andrews, seconded by William Towsley, the OCIDA Board approved a resolution accepting an inverted PILOT agreement for the ICM Controls project located at 7313 William Barry Boulevard in the Town of Cicero consisting of the construction of a 90,000 square foot headquarters and manufacturing facility and the acquisition and installation therein of machinery and equipment with Robert Baldwin and Dan Healy voting yes. Motion was carried.

### STEWART DRIVE EASEMENTS

Mark Arbon stated that there are two easements. He stated that one is a temporary easement for grading and seeding along side the road and an easement agreement for over the road.

Robert Baldwin stated that the Agency is being asked to grant a temporary easement for the grading along the side of the road and a resolution authorizing the Agency to grant an easement to the County for a portion of the driveway, which the Agency owns. He stated that the Agency is also being requested to convey or dedicate a portion of the Stewart Drive to the County or to the Town of Cicero along with authorizing an officer of the Agency to execute the necessary documents. Robert Baldwin asked if the County owns part of the drive. Mark Arbon stated that the County owns most of the property in Hancock Airpark. He stated that they are obtaining a grant to do some roadwork and they need an interest of the Agency's portion in order to get the grant. He stated that the Agency can grant them an easement so they have an interest and can receive the grant. He stated that he will continue working on either conveying the road to the County or the Town or dedicating the road as a Town of County highway.

Upon a motion by Dan Healy, seconded by Russell Andrews, the OCIDA Board approved a resolution authorizing the Agency to grant a temporary easement for grading to the County or a portion of the Sutton Investing Corp. property and authorizing an officer of the Agency to execute all documents in connection with such grant with Robert Baldwin, Joseph Scuderi and William Towsley voting yes. Motion was carried.

Upon a motion by William Towsley, seconded by Russell Andrews the OCIDA Board approved a resolution authorizing the Agency to grant an easement to the County over that portion of Stewart Drive owned by the Agency; authorizing the Agency to convey or dedicate that portion of Stewart Drive owned by the Agency to the County or the Town of Cicero; and authorizing an officer of the Agency to execute all documents and take all actions to accomplish the foregoing with Robert Baldwin and Dan Healy voting yes. Motion was carried.

### 2008 AUDIT OF THE AGENCY

Mark Hettler gave a review of the draft Audit for the Agency for the year 2007-2008.

Dan Healy asked if the investments Mr. Hettler is talking about are real property investments. Mark Hettler stated that he is talking about outstanding treasuries.

Dan Healy asked if the Agency is in a good position with what the current situation is. Mark Hettler stated that the Agency is in a good position for the treasuries. He stated that what the Agency should look at is the collateral behind the accounts and what the banks are putting up as collateral. He stated that he suggests getting a true listing of what those investments are and what the bank is putting up as collateral for the Agency accounts.

Dan Healy asked if local banks are used. Carolyn May stated that the Agency uses M & T bank. She stated that the Agency uses the same collateral strategy as the County. She stated that because the IDA is a public agency, 102% needs to be shown for collateral.

Mark Hettler stated that he recommends to all his clients to get a true listing of what the investments the bank is putting up behind it.

Dan Healy asks what happens if the bank tanks and asked if the Agency and its funds are protected because we are a government Agency. Mark Hettler stated that the funds are protected up to 100% because the IDA is a government agency and are collateralized by the bank.

Dan Healy stated that using local banks will have a little more stability then banks outside New York State.

Dan Healy asks who oversees the investments. Mark Hettler stated that Carolyn May and the treasurer.

Mark Hettler asked if the whistle blower policy is completed and if so it should be sent out as a true policy. Mark Arbon stated that he believes the whistle blower policy was passed at the January meeting.

Robert Baldwin stated that he would like new hires or members read through the handbook and sign a statement saying that they have reviewed and had their questions answered.

Upon a motion by William Towsley, seconded by Russell Andrews, the OCIDA Board approved a resolution accepting the annual audit for the year ending June 30, 2008 subject to reviewing any changes with Robert Baldwin and Dan Healy voting yes. Motion was carried.

## DISCUSSION ITEMS

### GREENN BUILDING INCENTIVES

Robert Baldwin stated that at the Agency study session, the staff was directed to develop incentives for developers who build LEED certified buildings in Onondaga County. He stated that the goal is to encourage the construction of LEED structures of using green technologies and to underscore this regions commitment to green technology.

Tracie Hall stated that she is the Executive Director for the New York Upstate Chapter of US Green Building Council and her geographic locations she covers consists of 53 counties in New York plus Berkshire County in Massachusetts. She stated that what she sees in the 53 county region is very encouraging. She stated that US Green Building Council is not a government agency but a private membership driven, not for profit organization and are the creators of the Leadership in Energy and Environmental Design (LEED) green building rating system. She stated that it was designed in response to the tremendous impact that the buildings have on the environment and the economy. She stated that what came forth is guidelines and a series of items that relate to points being accrued in various credits categories. She stated that not only do the buildings result in low operating costs but also provide significant health benefits and human performance benefits for all. She stated that there are multiple rating systems and she stated she would meet with the individual board members to go over the detail. She stated that she believes what is happening is governments, schools municipalities are realizing that what was thought to be a voluntary measure is now being legislated, put in executive orders, resolutions, ordinances, policies and the most important aspect are the incentives. She stated that the founder of the US Green Building Council is a native of Syracuse and there is only one certified building in the City of Syracuse and two in Onondaga County. She stated that there is LEED gold home built in Skaneateles. She stated that Onondaga County is behind some of the other communities and a lot of factors have contributed to this. She stated that she is seeing many counties adopting policies or incentives. She stated that the incentives are attracting new business and they range from tax credits, PILOTs, low interest loans, fee reductions and waivers, grants and expedited permitting to help promote the green practices and in some cases free technical assistance. She stated that we are fortunate in this State to have NYSERDA who are basically a pocket book for those who want to pursue greener sustainable initiative. She stated that NYSERDA offers technical assistance and energy modeling and some other services they provide are not available in other parts of the Country. She stated that in order to spur things on a local level, incentives are needed and not just for the sake of the environment but for the sake of the economy, natural resources and the preservation of resources. She stated that this type of activity encourages responsible land management and responsible use of resources. She stated that it doesn't have to cost more to build green and the costs can easily be recovered. She stated that she would discourage adding a percentage cost increase to the levels of certification because when they are added it gives contractors, architects and product manufacturers the evidence that it does cost more and will pad the project. She stated that she is thrilled to see the Agency's consideration.

Mark Arbon asked if the cost recovery by the occupant not the developer. Tracie Hall stated that it depends on the nature of the facility. She stated that if it being leased, they are receiving premium rental rates.

Robert Baldwin asked if the Maxwell study is being disseminated. Tracie Hall stated that it is on the Environmental Finance Center website.

Robert Baldwin asked if the municipalities in Central New York are aware of the study. Tracie Hall stated that the advocacy committee is in the process of sending a link and offering to meet with the municipalities throughout the State.

Robert Baldwin stated that periodically the Agency has had a complication of the local municipal officials including building and development officials to discuss such things as PILOT agreements and he believes meeting with the municipalities would be important. Tracie Hall stated that she would be happy to provide the study to the municipalities and has already talked with about half dozen in Onondaga County.

Robert Baldwin stated that he believes that Welch Allyn is in the middle of the certification process. Tracie Hall stated that they are pursuing certification but is not completed yet. She stated that there are about 200 projects in Onondaga County pursuing certification with some completed but have chosen not to pursue the third party verification. She stated that SU has registered over 13 of their existing buildings for LEED.

William Towsley asked if the US Green Building Counsel recently partnered with the Workforce Development Board to give a seminar. Tracie Hall stated that they are currently working on providing training to not only green collar workforce but also working with the NBE's and WBE's.

William Towsley stated that he read that the training can be done for groups and asked how big of a group they train. Tracie Hall stated that they like a maximum of 30 people per group. She stated that they have trainers that have been trained locally.

Carolyn May stated that VIP is graciously doing research for the Agency on a volunteer basis. She stated that she is confident in their percentages because of the extensive research done. She stated that the Agency should think about the length of the PILOT and the percentages. She stated that also the Board needs to look at how it affects the Empire Zone. She stated that she hopes to have something in November to adopt.

Charlie Wallace stated that the easiest methods of encouraging people to build green and build sustainable buildings is to give them some form of tax credit or tax incentive on their real property taxes. He stated that assuming that is the basis they are working from, they looked at it from an administrative standpoint how they can make it as simple as possible. He stated that they decided that a fixed percentage should be put on the credit that a building owner or developer would receive by building green. He stated that the second thing was what benchmark or standard would be used to determine what level of sustainable building is being created. He stated that the LEED certification system is the really the only system to use. He stated that they came up with a percentage plan based on the various levels of certification. He stated that regardless of the percentage used, he thinks that a certain level of certification should receive a certain percentage for each level. He stated that their feelings are in order to encourage developers and property owners to build green, give them something over and above what the cost is.

Carolyn May stated that it will never be in writing that the green buildings will cost more. She stated that the percentages will be adjusted to the level of certification.

Charlie Wallace stated that it might not cost that much more to build green versus not building green. He stated that based on the types of projects C & S has done, there is a differential

between the cost of conventional construction and trying to build to obtain certification from LEED.

Robert Baldwin asked if there is an added cost for doing things to get the third party verification. Charlie Wallace stated that there are fees to be paid, additional design costs and expense of commissioning the building. He stated that if you look at the life cycle cost of doing this, it would lean more towards the differential cost of being less and less because of the lower operating costs but there are certain fixed soft costs that wouldn't be there if you weren't going for the LEED certification.

Tracie Hall stated that NYSERDA programs pay an additional incentive above the energy incentives. She stated that they pay a blanket amount that more than covers the registration and certification fees that the US Green Building Counsel offers. She stated that it is a percentage off your total award from NYSERDA. She stated that they do cost share commissioning and cost share technical assistance and energy modeling. She stated that New York State is very uniquely poised to be able to partner with the services that are already in existence.

Robert Baldwin asked if NYSERDA provides grants for not for profits. Tracie Hall stated that they provide grants for not for profits.

Carolyn May stated that the great challenge with NYSERDA is that they have a long track record of being administratively over burdened. She stated that although the money is there, she assumes the company will not apply.

William Towsley asked where the oversight for construction comes from to make sure they are using the right materials to make it a green building. Vince Raymond stated that LEED comes in and inspects.

Tracie Hall stated that US Green Counsel has a credential called a LEED accredited professional. She stated that VIP has several on staff. She stated that LEED is a consensus based design build system and requires coordination among all the parties so that they understand what the credits are being pursued, the prerequisites must be done prior to beginning construction. She stated that a lot of that rests with the contractor but they have to work with the architect, the engineers and the LEED accredited professional. She stated that the LEED professional will take all the information and upload supporting documentation to demonstrate due diligence. She stated that there are no State visits. She stated that there are 10 independent agencies that will be the certifying bodies for the LEED Green building rating system.

William Towsley asked if there is no onsite inspection. Tracie Hall stated that there is no onsite inspection but there is a lot of documentation and the professionals are on the line because they have to sign off attesting that they have completed this according to specifications.

Dan Healy asked if a brand new building is being built, is there a list of types of materials that are necessary for the levels of certification. He asked if there is a list for renovating an existing building. Charlie Wallace stated that there is a check list for new construction and renovated buildings with the potential points that can be obtained.

Vince Raymond stated that there is a list of points that can be chosen but there are mandatory points to be LEED certified. He stated that there are many of the incentives that help reduce the cost by NYSERDA but they have a list that needs to be completed and they come and check.

Dan Healy stated that he would like to see a simple and quick explanation. He stated that the developers or property owners do not know about green building and the specifics. He stated that he would like a sheet explaining what it takes to make the new building or renovation green.

Carolyn May stated that she would like some direction from the Board on how they would like to proceed.

Vince Raymond stated that it is very difficult to say how much it costs to build green. He stated that they looked at 3<sup>rd</sup> party reports and all were a little different and they looked at their own experience. He stated that he sees a lot of developers picking elements of green but not going for LEED certification. He stated that the experience with IDA and those projects are what they focused on and what the incremental increase would be for each level of green. He stated that they tried to come up with a percentage that is fair and is going to give incentive. He stated that a lot of the aspects of IDA projects are the lower cost projects that are not high design. He stated that they pretty comfortably came up with 4% to 7% for silver, less comfortable with the 10% for gold and 13% for platinum. He stated that a company going for gold or platinum certification is probably doing it for more reasons than just the incentives.

Carolyn May stated that another important variable to think about is that very rarely does the entity that builds or owns the building occupies it. She stated that they might be less concerned about the work environment of an employee inside the building or the operating expenses. She stated that she does not think the Board will see a lot of high end buildings come before the board because of the types of projects the Agency does.

Russell Andrews asked if it is possible to make it contingent that the projects that come before the board look at the LEED certification and consider it.

Robert Baldwin stated that it depends on the type of project as well. He stated that new construction we can work on but rehab and reconstruction is something the board needs to look at more.

Dan Healy stated that if the Board is looking at projects in the future, staff should let the Board know that the project could be a LEED certified building.

Mark Arbon stated that the IDA PILOT policy is for manufacturing or net wealth generators and asked if the board wants to expand and open it up to any type of facility.

Russell Andrews stated that there are many companies that come before the board and he believes that the companies should be filtered to see if they can build green.

William Towsley stated that Tessy Plastics was told that it would cost them 15% more to become LEED certified on their project. He asked if they do not have the money for the additional

expense, where do they get it. Charlie Wallace stated that the incentive will not be sold to say that it is going to cost them more but they have come up with a percentage in credits if they obtain certified silver, gold and platinum. He stated that he wants to give it a positive spin as opposed to saying it is going to cost you more money so we will give you 20% more.

William Towsley stated that ultimately it will cost them more in today's market because there is no regulation. He stated that as soon as it is said that they want to be LEED certified, the cost to build is more and there is no difference in the material. He stated that if the Agency is going to be a party to it, he wants regulation on it. He stated that incentives and inducements are given to them and they only pass it along to the vendor and it's not right. He stated that LEED is great but where is the regulation. He stated that the vendors add 15% more onto the price as soon as they hear LEED certified and no one is questioning it. He stated that he has a problem with the regulation in this industry.

Carolyn May stated that she is not sure how to speak to that issue so it needs thought. She stated that to some extent, the Agency never questions what the projects pay for their buildings.

Robert Baldwin asked where the Agency should proceed. He stated that he would like the Board to take a look at this and try to get something in place by the end of the year.

Dan Healy stated that he would like to see the check lists for both the new construction and renovation.

Robert Baldwin stated that he appreciates all the work that C & S Engineers has done and on behalf of the community he would like to thank them.

Upon a motion by Russell Andrews, seconded by Dan Healy, the OCIDA Board approved a resolution the OCIDA Board went into executive session to discuss contractual negotiations with Robert Baldwin and William Towsley voting yes. Motion was carried.

Upon a motion by William Towsley, seconded by Dan Healy, the OCIDA Board approved a resolution to adjourn executive session with Robert Baldwin and Russell Andrews voting yes. Motion was carried.

#### CONTRACT STATUS REPORT DOCUMENT

Carolyn May stated that the application included a local labor agreement. She stated that she worked with Mark Arbon to make one complete document to have the ability to have better information when the Agency needs it on what contractors companies are using. She stated that she thinks this will work better for the Board members.

#### STAFF ACTIVITIES

No comments.

Upon a motion by William Towsley, seconded by Dan Healy, the OCIDA Board adjourned the regular Agency meeting at 9:55 am with Robert Baldwin and Russell Andrews voting yes. Motion was carried.

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Carolyn May